

# **EC Plans To Build 100 Homes on Vacant Lots**

## **Albuquerque, New Mexico, EC**

The Albuquerque EC has embarked on a \$1.3 million infill housing project that eventually will bring 100 affordable homes to 3 EC neighborhoods. The first phase of the building project will get under way in mid-2000 when the city chooses a nonprofit developer to oversee construction of the project's first 30 homes.

Albuquerque's Infill Housing Project has been in the planning stages since 1998, when the United South Broadway Corporation (USBC), an EC partner, conducted a survey of vacant properties in the San Jose, South Broadway, and Baretas neighborhoods. USBC identified 450 vacant lots in a 2-square-mile area, then proceeded to map the lots, determine their zoning, and identify any impediments to development such as lack of sewer and water. At the same time, architecture students from the University of New Mexico held two design charettes with local residents to develop guidelines with which builders and developers participating in the program will have to comply.

Vacant parcels vary in size. Some are large enough for only one house while others might support as many as 25 new homes, says EC Coordinator Sylvia Fettes. The city plans to build only 100 homes, she says, because it doubts that all of the 450 vacant properties will be appropriate for development.

"We assume that some of the property owners will be unwilling to sell," Fettes says. "There may be title problems on some properties that cannot be resolved in a reasonable period of time. There may also be some environmental problems that could take a little more time to work out."

Two developers submitted proposals in spring 2000 to build the first 30 infill housing units. The selected developer will receive a \$650,000, zero-percent interest loan to cover the costs of lot acquisition and environmental analysis. This money, which comes from the city's Housing and Neighborhood Economic Development Trust Fund, must be repaid when the homes are sold but could be withdrawn if the developer does not acquire the properties and contract with a builder within 12 months. The developer also is responsible for making sure that all the new homes will be affordable to households with incomes at 80 percent or less of the area's median income.

While developers are free to choose the lots on which they propose to build, Fettes says she expects the first 30 homes to be concentrated in two of the three targeted neighborhoods.

"One of our goals, in addition to affordable homeownership, is to create a positive, revitalizing impact on these neighborhoods," she says. "By building these first homes in just a few neighborhoods, we expect to get that positive impact and, at the same time, to achieve economies of scale that will help make these homes affordable."

For more information contact Sylvia Fettes, EC Coordinator, Albuquerque EC, at 505-768-2860.

# **Collaborative Provides Recent Immigrants With Living Wage and Many Vital Services**

## **Albuquerque, New Mexico, EC**

Southwest Creations Collaborative (SCC) pays women living in the Albuquerque EC up to \$15 an hour to sew garments and other items for its clients across the country. The women, most of whom immigrated to Albuquerque from Mexico, are pleased with the pay as well as with their 10 days of sick leave and vacation each year. But what impresses them most, says Director of Operations and Training Andrea Plaza, is the enclosed area at the corner of the factory floor where, for 25 cents an hour, the women can pay someone to supervise their children while they work.

“Before we opened, many of these women didn’t work at all because they had no way to pay for childcare,” says Plaza. “The fact that we can offer them a living wage and childcare at \$10 a week is a very important benefit.”

SCC was established in 1994 when Albuquerque resident Susan Matteucci, newly arrived from Chicago, began seeking local women who knew how to sew and were interested in getting paid for their skills. Matteucci, now SCC’s Executive Director, was following through on a request from a friend at the Chicago-based Marketplace catalog, which wanted to carry a line of garments and other items made by cooperatives in the Southwest. Sixty women responded to Matteucci’s invitation and began working 2 days a week in a makeshift factory set up in the EC’s San Jose Parish Hall.

In 1996 SCC received \$12,000 in EC funds to move down the street into the warehouse building that it occupies today and expand its operations. Twenty women now work full time. In 1999, they helped SCC earn an income of \$200,000. The collaborative provides a variety of manufacturing services to 23 small companies.

SCC works hard to achieve a balance between its quest for profitability and its mission to provide a living wage to its employees. As of March 2000, only 40 percent of the collaborative’s annual revenue comes from business contracts. SCC also received \$35,000 from the EC in 1999 to pay its rent and purchase equipment, along with a \$50,000 loan from the New Mexico Community Development Loan Fund and \$140,000 in grants from local foundations.

In addition to daycare, SCC offers training in math, English, and business management to help its employees become more involved in the collaborative’s decision-making. Six of the company’s eight board members are employees.

“We have tried to create an environment of support here,” says Plaza. “I think our employees feel this is a safe place where they can ask for something and get a response, or some direction, or some resources. I think they see it as a place that they can mold, instead of just a job. We offer a lot to these women that cannot be documented.”

For more information contact Susan Matteucci, Executive Director, or Andrea Plaza, Director of Operations and Training, SCC, at 505-247-8559.

## **Business Center Makes Loans and Teaches Lessons**

### **Albuquerque, New Mexico, EC**

More than 200 small businesses in the Albuquerque, New Mexico, EC have received technical assistance through the New Mexico Business Resource Center. Fifty businesses have acquired startup loans through the center since it opened in 1996. However, the lessons city officials have learned from the center may constitute its most valuable impact on the EC.

The economic development multi-service center operates in a city-owned building in the EC's South Fourth Street Corridor, a 13-block area that the City of Albuquerque has been trying to revitalize for the past 4 years. Convinced from the start that access to capital is the major obstacle to small business development, four of the center's five partners assembled an impressive array of equity sources for entrepreneurs. The New Mexico Community Development Loan Fund (NMCDLF) and the Women's Economic Self-Sufficiency Team (WESST Corp) jointly administer three revolving loan funds capitalized at \$14.5 million. The South Valley Small Business Development Center and the Industry Development Corporation help small and medium-sized businesses find seed capital. A fifth partner, Project Phoenix, provides computer training to low-income persons. All the partners provide technical assistance.

The City of Albuquerque bought, renovated, and maintains the center's building with \$56,000 from the EC, \$150,000 from CDBG funds, and \$200,000 from the New Mexico Legislature Capital Fund. The EC also capitalized the South Valley Revolving Loan Fund with \$259,000. The Micro Enterprise Loan Fund and a Pocket of Opportunity Loan Fund received \$300,000 and \$800,000, respectively, from the city's Housing and Neighborhood Economic Development Fund. WESST Corp and NMCDLF leveraged almost \$13 million to supplement all three funds.

"The city provides very low-cost rent to encourage center partners to locate there, stay there, and cooperate with one another," says EC Coordinator Sylvia Fettes. "Our aim was not only to assist our EC entrepreneurs but also to encourage businesses to locate in the EC and to create employment for EC residents. The center is located in a very blighted corridor. We wanted to eliminate that blight."

The center has made a substantial number of loans and helped create 88 new jobs in the EC. It has also provided a valuable learning experience to all its partners, who discovered that it takes more than capital to make a business succeed. Primarily, says Ms. Fettes, it takes much more technical assistance than originally anticipated. It also takes a holistic approach to solving community problems that inhibit business investment.

"This involves reducing crime, bringing customers to a neighborhood so a business has an opportunity to be successful, and making sure entrepreneurs understand fully what it takes to run a small business," says Fettes. "Now we are setting our sights on creating a multifaceted program that attempts to address all those issues." For more information contact Sylvia Fettes, EC Coordinator, at 505-768-2860.

## **EC's Vacant Lots May Yield New Homes**

### **Albuquerque, New Mexico, EC**

Staff at the nonprofit United South Broadway Corporation (USBC) spent 1998 taking an unusual census in the Albuquerque, New Mexico, EC. Instead of counting residents, the field workers counted vacant lots on which the city hopes to build 100 new homes in the next 2 years.

The first phase of the In-Fill Housing Project, funded with \$50,000 from the city's Housing and Neighborhood Economic Development Trust Fund, involved a windshield survey of the area to determine how many vacant lots actually exist. Now the corporation is retracing its steps to determine which lots can be developed into single-family homesites. When that research is complete, the city will request proposals from nonprofit housing developers to build the homes, using \$1.3 million from the same fund. The city hopes to select developers by summer 1999 and begin construction in the fall.

"They wanted the homes to match the architecture of the neighborhood, whether that be Pueblo Revival style or Victorian," says Sylvia Fettes, EC Coordinator. "They didn't want the homes to stick out like sore thumbs. They didn't want it to be obvious that these homes were subsidized."

While USBC was trying to determine where the city could build the new homes, architecture students from the University of New Mexico were busy figuring out what those homes would look like. Students held two design charrettes with local residents to talk about possible designs. Most residents offered one simple directive: Make the new homes as inconspicuous as possible.

The City of Albuquerque initiated the housing project to meet two major EC needs: affordable housing and economic development. The median home price in Albuquerque is \$129,000 and the average rent is \$600, says Fettes. With median incomes in the EC hovering at \$15,500, she says, most residents cannot afford to purchase their own homes without some assistance.

Fettes says she hopes nonprofit developers participating in the housing project will be able to sell the new homes for \$80,000 or less, depending on what subsidies the city can make available to homebuyers. The homes are expected to stimulate commercial activity in the EC by bringing new residents to the neighborhood who will patronize struggling EC businesses.

For more information contact Sylvia Fettes, Albuquerque's EC Coordinator, at 505-768-2860.

# **Return of Wimpy Burgers Signals Corridor's Rejuvenation**

## **Albuquerque, New Mexico, EC**

When the Red Ball Café reopened its doors in April 1998, residents of the Albuquerque EC knew something important was happening. Most residents still remembered the original café, an area landmark where they often gathered to socialize and eat Wimpy Burgers. The return of the café—and its famous burger—was a hopeful sign for an area that had not experienced much hope since the 50-year-old café closed in 1979.

The South Fourth Street Corridor where the café is located has had a long and somewhat rocky history. Originally part of the Camino Real or “Royal Road” built by the Spanish, the corridor was a vibrant commercial area until the 1970s. Then business declined for the local railroad yards, decimating the local economy. Not long afterward, a downtown redevelopment project closed a portion of Fourth Street and diverted traffic away from the corridor, striking a final blow to the EC’s commercial area. Until 1995 the corridor was “literally dead,” says EC Coordinator Sylvia Fettes. Vacant, boarded-up, and rundown buildings were plentiful.

To get businesses and customers back to the area, the city used \$1.4 million in general operating funds and approximately \$100,000 in leveraged money to begin the South Fourth Street Revitalization in 1995. Through the Streetscape Improvement Project, the city replaced streetlights in the area with lamps that matched the corridor’s southwestern architecture. The city also installed tile murals throughout the neighborhood.

With an additional \$500,000 in operating funds, the city began offering \$2,000 grants to any business interested in improving the facade of its building. Through the ongoing program, EC businesses can also apply for deferred loans of up to \$25,000 to upgrade their properties, as long as they match the loan amount with private funds. Almost 50 businesses have taken advantage of the city’s grants. So far 25 businesses have accepted the loans and brought \$100,000 in private money to the area.

The Red Ball Café has become a symbol of the revitalization’s success. Determined to rescue the landmark eatery, the city purchased the café building for \$60,000 and later sold it to local builder Jim Chavez for \$10,000. Chavez, an EC resident who grew up eating Wimpy Burgers, used both the \$2,000 facade improvement grant and the \$25,000 deferred loan to renovate the building, matching loan monies with more than \$50,000 of his own funds. Because the café is located in a historic district, Chavez also used Historic Preservation Tax Credits to fund the project, which he estimates cost more than \$100,000.

“I think [the café] has great potential,” Chavez told the Albuquerque Journal. “We’re hoping that it will be the link to tie the whole community together and we’re hoping that other businesses will want to start moving in here.”

For more information contact Sylvia Fettes, Albuquerque’s EC Coordinator, at 505–768–2860.

# High School Students Learn While Their Children Play

## Albuquerque, New Mexico, EC

On weekday afternoons, visitors to Rio Grande High School in the Albuquerque EC find themselves tiptoeing down the hall so they don't wake the napping infants and toddlers. The 14 children are enjoying the school's daycare center while their parents, who range in age from 14 to 19, earn their high school diplomas. Nine newborns will join the program before the end of the academic year.

Without the Graduation Reality and Dual Role Skills (GRADS) program, says EC Coordinator Sylvia Fettes, the 39 students who attend classes next door to the daycare center would have dropped out of school long ago. Instead, 16 program participants have graduated from high school during the past 2 years. Twelve plan to graduate this June, equipped with both academic knowledge and the skills they need to be responsible parents.

GRADS is one of the many programs sponsored by the EC-funded Rio Grande Human Services Collaborative (RGHSC), a partnership between the Albuquerque Public School District and 14 community agencies. The collaborative instituted the GRADS program in response to Rio Grande High School's 44-percent dropout rate and a 5-percent pregnancy rate among teens in Bernalillo County. RGHSC also administers a program to encourage high school students to abstain from sexual activity.

In all of its programs, RGHSC attempts to address health issues that can inhibit how well students learn. Primarily, it does that by offering medical care and mental health services at 11 school sites. Doctors, psychologists, social workers, and nurse practitioners who work for the participating agencies treat students in kindergarten through grade 12. Some agencies maintain a daily presence at certain sites, while others visit sites only when a need arises. The largest demand, even among elementary school students, is for treatment of depression, says Fettes. Most practitioners receive Medicaid reimbursements.

Community residents, often the parents of school students, also take advantage of RGHSC programs. Parents are encouraged to attend special programs that help them earn high school diplomas, learn English as a second language, or find out more about available community services.

Working with a \$350,000 EC grant, the collaborative has served more than 6,000 students and their parents since 1996. It also relies on in-kind donations of more than \$1 million from participating agency service providers and more than \$100,000 in grant funds. The collaborative received two grants from the State of New Mexico Department of Education (DOE) to establish the GRADS program and pay its teacher. A third DOE grant funds the abstinence program.

"Our aim is to provide essential services in a holistic manner," says Fettes. "Perhaps by making conditions better for these families, by addressing their [physical] health and mental health needs, we can also improve educational outcomes."

For more information contact Sylvia Fettes, Albuquerque's EC Coordinator, at 505-768-2932.

## **200 New Rental Units and 120 Homes Planned**

### **Albuquerque, New Mexico, EC**

Using CDBG funds, Metropolitan Redevelopment Funds, and city bond funds, several acres have been acquired for high-density rental housing development. A developer has been hired to construct approximately 200 units of new rental housing on this property. In addition, 30 new units created for affordable homeownership projects have been completed, allowing low- and moderate-income homebuyers to realize the dream of homeownership. An additional 120 homes are in the planning stage, through various community, private, and government partnerships.

For more information about new rental housing in Albuquerque, contact Michael Passi, Associate Director, Department of Family and Community Services, City of Albuquerque, at 505-768-2860.